

***CITY OF BAXTER SPRINGS, KANSAS***

Independent Auditor's Report  
and Financial Statement with  
Supplementary Information

*For the Year Ended December 31, 2016*

THE MENSE CPA FIRM, LLC  
Certified Public Accountants

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# The Mense CPA Firm, LLC

CERTIFIED PUBLIC ACCOUNTANTS

MEMBERS OF  
MISSOURI SOCIETY OF CPA'S  
AMERICAN INSTITUTE OF CPA'S

To the Mayor and City Council  
City of Baxter Springs, Kansas

## INDEPENDENT AUDITOR'S REPORT

We have audited the accompanying fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash balance of City of Baxter Springs, Kansas, a municipality, as of and for the year ended December 31, 2016 and the related notes to the financial statement.

### *Management's Responsibility for the Financial Statement*

Management is responsible for the preparation and fair presentation of this financial statement in accordance with the *Kansas Municipal Audit and Accounting Guide* as described in Note 1; this includes determining that the regulatory basis of accounting is an acceptable basis for the preparation of the financial statement in the circumstances. Management is also responsible for the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of the financial statement that is free from material misstatement, whether due to fraud or error.

### *Auditor's Responsibility*

Our responsibility is to express an opinion on the financial statement based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, and the *Kansas Municipal Audit and Accounting Guide*. Those standards require we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statement. The procedures selected depend on auditor's judgment, including the assessment of the risks of material misstatement of the financial statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statement in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statement.



We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

***Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles***

As described in Note 1 of the financial statement, the financial statement is prepared by the City of Baxter Springs, Kansas on the basis of the financial reporting provisions of the *Kansas Municipal Audit and Accounting Guide*, which is a basis of accounting other than accounting principles generally accepted in the United States of America.

The effects on the financial statement of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

***Adverse Opinion on U.S. Generally Accepted Accounting Principles***

In our opinion, because of the significance of the matter discussed in the “Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles” paragraph, the financial statement referred to above does not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the City of Baxter Springs, Kansas as of December 31, 2016, or changes in financial position and cash flows thereof for the year then ended.

***Unmodified Opinion on Regulatory Basis of Accounting***

In our opinion, the financial statement referred to above presents fairly, in all material respects, the aggregate cash and unencumbered cash balance of the City of Baxter Springs, Kansas as of December 31, 2016, and the aggregate receipts and expenditures for the year ended in accordance with the financial reporting provisions of the *Kansas Municipal Audit and Accounting Guide* described in Note 1.

***Other Matters***

***Supplementary Information***

Our audit was conducted for the purpose of forming an opinion on the fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash balance (basic financial statement) as a whole. The summary of regulatory basis expenditures-actual and budget and individual fund schedules of regulatory basis receipts and expenditures-actual and budget (Schedules 1 and 2 as listed in the table of contents) are presented for analysis and are not a required part of the basic financial statement, however are required to be presented under the provisions of the *Kansas Municipal Audit and Accounting Guide*. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statement. The information has been subjected to the auditing procedures applied in the audit of the basic financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statement or to the basic financial statement itself, and other additional

procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statement as a whole, on the basis of accounting described in Note 1.

A handwritten signature in blue ink, appearing to read "The Mense CPA Firm, LLC".

The Mense CPA Firm, LLC  
Certified Public Accountants

Joplin, Missouri  
July 7, 2017

**CITY OF BAXTER SPRINGS, KANSAS**  
Summary Statement of Receipts, Expenditures, and Unencumbered Cash  
Regulatory Basis  
For the Year Ended December 31, 2016

Funds	Beginning Unencumbered Cash Balance	Receipts	Expenditures	Ending Unencumbered Cash Balance	Add Encumbrances and Accounts Payable	Ending Cash Balance
General Funds:						
General	\$ 408,417	\$ 2,076,663	\$ 2,164,217	\$ 320,863	\$ 37,121	\$ 357,984
Special Purpose Funds:						
Transient Guest	9,010	5,437	2,845	11,602	-	11,602
Park Development	99	-	99	-	-	-
Special Highway	180,357	158,660	185,493	153,524	2,317	155,841
Library	12,194	112,571	112,571	12,194	-	12,194
Library Employee Benefits	1,583	16,990	16,990	1,583	-	1,583
Recreation	6,213	9,394	9,394	6,213	-	6,213
Museum	5,549	72,306	72,306	5,549	-	5,549
Industrial Development	1,491	2,283	2,975	799	-	799
Special Liability	93,114	57	8,661	84,510	-	84,510
Municipal Equipment Reserve	4,250	-	-	4,250	-	4,250
Capital Improvement	50,199	-	-	50,199	-	50,199
Drug Forfeiture	419	-	-	419	-	419
Employee Benefits	129,048	541,811	431,179	239,680	-	239,680
Special Parks and Recreation	82	32	89	25	-	25
Disaster	346	5,000	-	5,346	-	5,346
Fire Ordinance 711	-	-	-	-	-	-
Memorial Fund	176	2,685	330	2,531	-	2,531
Bond and Interest Funds:						
Debt Service	32,188	349,193	356,564	24,817	-	24,817
Business Funds:						
Water	(54,179)	846,127	715,108	76,840	14,992	91,832
Sewer	1,403,015	487,958	705,547	1,185,426	9,728	1,195,154
Cable Television	(510,740)	1,390,289	647,893	231,656	2,042	233,698
Refuse	43,984	228,959	237,034	35,909	-	35,909
Trust Funds:						
Cemetery Perpetual Care	64,394	105	-	64,499	-	64,499
Total Reporting Entity	\$ 1,881,209	\$ 6,306,520	\$ 5,669,295	\$ 2,518,434	\$ 66,200	\$ 2,584,634
Composition of Cash:						
				Cash on Hand		\$ 820
				Checking Accounts		2,480,749
				Cash with State Treasurer		103,065
				Total Reporting Entity		\$ 2,584,634

The notes to the financial statement are an integral part of this statement.

## **CITY OF BAXTER SPRINGS, KANSAS**

### **Notes to the Financial Statement**

**December 31, 2016**

#### **I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

##### **I.A. INTRODUCTION**

The City of Baxter Springs, Kansas, was incorporated in 1858 and operates as a second class city under the Statutes of the State of Kansas, (KSA 14-101 et. seq.). The City operates under a Mayor-Council form of government. Major services provided by the City include: Public Safety - Police and Fire, Highways and Streets, Sanitation, Health and Social Services, Culture - Recreation, Public Improvements, Planning and Zoning, and General Administrative Services. In addition, the City provides Water and Sewer Utility Services.

##### **I.B. FINANCIAL REPORTING ENTITY**

This financial statement presents the City of Baxter Springs, Kansas, (the municipality) as defined in K.S.A. 75-1117.

*Related Municipal Entities:* A related municipal entity is any legally separate municipal organization which was established to benefit the municipality or its' constituents. Related municipal entities are not required to be included in the City's audit by the Kansas Municipal Audit and Accounting Guide (KMAAG). Based upon the application of this criterion, the following is a brief review of potential related municipal entities:

Library Board. The City of Baxter Springs Library Board operates the City's public library. Acquisition or disposition of real property by the Board must be approved by the City. Bond issuances must also be approved by the City. The City levies taxes for the Library.

Recreation Commission. The City of Baxter Springs Recreation Commission oversees recreation activities. The Recreation Commission operates as a separate governing body but the City levies taxes for the recreation commission and the recreation commission has only the powers granted by statute, K.S.A. 12-1928.

Museum Board. The City of Baxter Springs Museum Board oversees the museum. The City levies taxes for the Museum Board. Bond issues must be approved by the City.

## **CITY OF BAXTER SPRINGS, KANSAS**

Notes to the Financial Statement

December 31, 2016

### **I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

#### **I.C. REGULATORY BASIS FUND TYPES**

The accounts of the City are organized into funds each of which is considered to be a separate accounting entity. The operations of each fund is summarized by providing a separated set of self-balancing accounts. The following fund types are used by the City:

**General Fund**—the chief operating fund. Used to account for all resources except those required to be accounted for in another fund.

**Special Purpose Fund**—used to account for the proceeds of specific tax levies and other specific regulatory receipt sources (other than Capital Project and tax levies for long-term debt) that are intended for specified purposes.

**Bond and Interest Fund**—used to account for the accumulation of resources, including tax levies, transfers from other funds and payment of general long-term debt.

**Business Fund**—funds financed in whole or in part by fees charged to users of the goods or services (i.e. enterprise and internal service fund etc.)

**Trust Fund**—funds used to report assets held in trust for the benefit of the municipal financial reporting entity (i.e. pension funds, investment trust funds, private purpose trust funds which benefit the municipal reporting entity, scholarship funds, etc.)

## **CITY OF BAXTER SPRINGS, KANSAS**

### **Notes to the Financial Statement**

December 31, 2016

#### **I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

##### **I.D. BASIS OF ACCOUNTING**

*Regulatory Basis of Accounting and Departure from Accounting Principles Generally Accepted in the United States of America.* The Kansas Municipal Audit and Accounting Guide (KMAAG) regulatory basis of accounting involves the recognition of cash, cash equivalents, marketable investments, and certain accounts payable and encumbrance obligations to arrive at a net unencumbered cash and investments balance on a regulatory basis for each fund, and the reporting of changes in unencumbered cash and investments of a fund resulting from the difference in regulatory basis receipts and regulatory basis expenditures for the fiscal year. All recognized assets and liabilities are measured and reported at cost, unless they have been permanently impaired and have no future cash value or represent no future obligation against cash. The KMAAG regulatory basis does not recognize capital assets, long-term debt, accrued receivables and payables, or any other assets, liabilities or deferred inflows or outflows, other than those mentioned above.

The municipality has approved a resolution that is in compliance with K.S.A. 75-1120a(c), waiving the requirement for application of generally accepted accounting principles and allowing the municipality to use the regulatory basis of accounting.

##### **I.E. BUDGETARY INFORMATION**

Kansas statutes require that an annual operating budget be legally adopted for the general fund, special purpose funds (unless specifically exempted by statute), bond and interest funds, and business funds. Although directory rather than mandatory, the statutes provide for the following sequence and timetable in the adoption of the legal annual operating budget.

1. Preparation of the budget for the succeeding calendar year on or before August 1<sup>st</sup>.
2. Publication in local newspaper on or before August 5<sup>th</sup> of the proposed budget and notice of public hearing on the budget.
3. Public hearing on or before August 15<sup>th</sup>, but at least ten days after publication of notice of hearing.
4. Adoption of the final budget on or before August 25<sup>th</sup>.

The statutes allow for the governing body to increase the originally adopted budget for previously unbudgeted increases in regulatory receipts other than ad valorem property taxes. To do this, a notice of public hearing to amend the budget must be published in the local newspaper. At least ten days after publication, the hearing may be held and the governing body may amend the budget at that time. There were no such budget amendments for this year.

## **CITY OF BAXTER SPRINGS, KANSAS**

### **Notes to the Financial Statement**

December 31, 2016

#### **I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

##### **I.E. BUDGETARY INFORMATION (CONTINUED)**

The statutes permit transferring budgeted amounts between line items within an individual fund. However, such statutes prohibit expenditures in excess of the total amount of the adopted budget of expenditures of individual funds. Budget comparison schedules are presented for each fund showing actual receipts and expenditures compared to legally budgeted receipts and expenditures.

All legal annual operating budgets are prepared using the regulatory basis of accounting, in which, regulatory receipts are recognized when cash is received and expenditures include disbursements, accounts payable, and encumbrances, with disbursements being adjusted for prior year's accounts payable and encumbrances. Encumbrances are commitments by the municipality for future payments and are supported by a document evidencing the commitment, such as a purchase order or contract. Any unused budgeted expenditure authority lapses at year-end.

A legal operating budget is not required for capital project funds, trust funds, and the following special purpose fund:

Special Liability Fund  
Municipal Equipment Reserve Fund  
Capital Improvement Fund

Spending in funds which are not subject to the legal annual operating budget requirement is controlled by federal regulations, other statutes, or by the use of internal spending limits established by the governing body.

##### **I.F. ASSETS AND LIABILITIES**

###### **I.F.1. Cash and Investments**

The City pools cash resources of its various funds to facilitate the management of cash. Cash applicable to a particular fund is readily identifiable. The balance in the pool cash accounts is available to meet current operating requirements. Cash in excess of current requirements is invested in time deposits.

Additional cash and investment information is presented in Note III.A.

## **CITY OF BAXTER SPRINGS, KANSAS**

### **Notes to the Financial Statement**

**December 31, 2016**

#### **I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

##### **I.F. ASSETS AND LIABILITIES (CONTINUED)**

###### **I.F.2. Compensated Absences**

The City's policies regarding vacation and sick pay permit employees to accumulate a maximum of four weeks of vacation time and a maximum of 120 hours of sick pay. Vacation time is paid to employees upon termination. Sick leave is forfeited upon termination. At December 31, 2016, management estimates that the value of accumulated vacation to not be material.

##### **I.G. RECEIPTS AND EXPENDITURES**

###### **I.G.1. Sales Tax**

The City of Baxter Springs, Kansas levies a 1% sales tax on taxable sales within the City. The tax is collected by the Kansas Department of Revenue and remitted to the City. The tax is placed in the General Fund to provide city services.

###### **I.G.2. Property Tax**

Property taxes are an enforceable lien on property as of January 1. Taxes are levied on November 1 and are due and payable one-half on December 20<sup>th</sup> and one-half on May 10<sup>th</sup> of the ensuing year. Unpaid taxes become delinquent after the due dates.

The assessed valuation of tangible property for the calendar year 2016 for the purposes of taxation was \$20,090,401.

The tax levy per \$100.00 of assessed valuation of tangible property for the calendar year was \$5.63. The levy is composed of the sum of the legal tax levies for all funds with authorized levies.

Collection of current year property tax by the County Treasurer is not completed, apportioned, nor distributed to the various subdivisions until the succeeding year, such procedure being in conformity with governing state statutes. These taxes are used to finance budgeted expenditures for the succeeding year in accordance with Kansas Statutes.



## **CITY OF BAXTER SPRINGS, KANSAS**

### **Notes to the Financial Statement**

December 31, 2016

#### **I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

##### **I.G. RECEIPTS AND EXPENDITURES (CONTINUED)**

###### **I.G.3. Reimbursements**

The City records reimbursable expenditures in the fund that makes the disbursement and records reimbursements as a receipt to the fund that receives the reimbursement. For purposes of budgetary comparisons, the expenditures are properly offset by the reimbursements under KMAAG regulatory basis accounting.

#### **II. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**

##### **II.A. STATUTORY COMPLIANCE**

The Cable Television Fund incurred indebtedness in excess of available monies during the year. K.S.A. 10-1113. The violation was corrected with proceeds from the sale of the Cable Television System Assets.

#### **III. DETAILED NOTES ON FUNDS AND ACCOUNTS**

##### **III.A. DEPOSITS AND INVESTMENTS**

K.S.A. 9-1401 establishes the depositories which may be used by the City. The statute requires banks eligible to hold the City's funds have a main or branch bank in the county in which the City is located, or in an adjoining county if such institution has been designated as an official depository, and the banks provide an acceptable rate of return on funds. In addition, K.S.A. 9-1402 requires the banks to pledge securities for deposits in excess of FDIC coverage. The City has no other policies that would further limit interest rate risk.

K.S.A. 12-1675 limits the City's investment of idle funds to time deposits, open accounts, and certificates of deposit with allowable financial institutions; U.S. Government securities; temporary notes; no-fund warrants; repurchase agreements; and the Kansas Municipal Investment Pool. The City has no investment policy that would further limit its investment choices.

The State Treasurer is the fiscal agent for the payment of the City's general obligation bonds. Cash with the State Treasurer represents payments made to the State Treasurer during the year for principal and interest to be paid by the State Treasurer in the following year when the principal and interest is due.

## CITY OF BAXTER SPRINGS, KANSAS

### Notes to the Financial Statement

December 31, 2016

### III. DETAILED NOTES ON FUNDS AND ACCOUNTS (CONTINUED)

#### III.A. DEPOSITS AND INVESTMENTS (CONTINUED)

*Concentration of credit risk.* State statutes place no limit on the amount the City may invest in any one issuer as long as the investments are adequately secured under K.S.A. 9-1402 and 9-1405.

*Custodial credit risk – deposits.* Custodial credit risk is the risk that in the event of a bank failure, the City's deposits may not be returned to it. State statutes require the City's deposits in financial institutions to be entirely covered by federal depository insurance or by collateral held under a joint custody receipt issued by a bank within the State of Kansas, the Federal Reserve Bank of Kansas City, or the Federal Home Loan Bank of Topeka, except during designated "peak periods" when required coverage is 50%. The City does not designate "peak periods". All deposits were legally secured at December 31, 2016.

At December 31, 2016, the City's carrying amount of deposits was \$2,480,749 and the bank balance was \$2,623,692. Ninety-nine percent of the bank balance was held by one bank resulting in a concentration of credit risk. Of the bank balance, \$250,740 was covered by federal depository insurance and \$2,372,952 was secured by securities held by the pledging financial institutions' agents in the City's name.

#### III.B. RESTRICTED ASSETS

The following amounts in the following funds are restricted as follows:

General Fund -	
Municipal Court Bonds	\$ 7,983
Vehicle Inspection Fees	
(Law Enforcement)	21,238
Total	<u>\$ 29,221</u>

#### III.C. SALE OF CABLE TELEVISION SYSTEM ASSETS

In 2016 the City disposed of the Cable Television System Assets. The proceeds from the disposition were placed in the Cable Television Fund.

**CITY OF BAXTER SPRINGS, KANSAS**  
Notes to the Financial Statement  
December 31, 2016

**IV. LONG-TERM DEBT**

Changes in long-term liabilities for the City of Baxter Springs, Kansas for year ended December 31, 2016 were as follows:

Issue	Interest Rates	Date of Issue	Amount of Issue	Date of Final Maturity	Balance Beginning of Year	Additions	Reductions/ Payments	Balance End of Year	Interest Paid
<b>General Obligation Bonds:</b>									
Series 2012	.40-1.75%	11/15/2012	\$ 1,805,000	08/01/2022	\$ 1,410,000	\$ -	\$ 195,000	\$ 1,215,000	\$ 17,139
Series 2013	.50-3.25%	09/15/2013	\$ 1,390,000	12/01/2024	1,135,000	-	120,000	1,015,000	24,425
Total General Obligation Bonds					\$ 2,545,000	\$ -	\$ 315,000	\$ 2,230,000	\$ 41,564
<b>KDHE Loans:</b>									
Sewer Project	3.57%	04/11/2000	\$ 622,243	09/01/2021	\$ 204,795	\$ -	\$ 34,333	\$ 170,462	\$ 7,008
Total KDHE Loans					\$ 204,795	\$ -	\$ 34,333	\$ 170,462	\$ 7,008
<b>Capital Leases Payable:</b>									
Fire Department - Pierce Contender Pumper	4.85%	05/12/2006	\$ 294,830	05/12/2016	\$ 36,151	\$ -	\$ 36,151	\$ -	\$ 1,754
Street Department - Dodge Truck	2.50%	01/29/2013	\$ 40,096	01/31/2016	1,115	-	1,115	-	-
Police and Code Enforcement Departments - GMC Sierra 1500	2.50%	02/27/2013	\$ 51,598	02/27/2016	2,964	-	2,964	-	17
Fire Department - Ford F-350	2.50%	01/03/2013	\$ 34,349	01/31/2016	979	-	979	-	2
Special Highway - Case 580 Backhoe and Loader	2.75%	07/22/2015	\$ 69,950	07/22/2018	69,950	-	22,687	47,263	2,513
Fire Department - Scott SCBA Airpaks (20)	2.95%	04/16/2015	\$ 119,070	04/16/2020	119,070	-	22,450	96,620	3,512
Fire Department - Ford F-350	2.50%	05/05/2016	\$ 36,654	05/05/2019	-	36,654	7,906	28,748	558
Fire Department - Pierce Enforcer Pumper	3.98%	02/12/2016	\$ 473,689	02/12/2027	-	473,689	-	473,689	-
Special Highway and Sewer - Takeuchi Track Loader	2.50%	06/13/2016	\$ 102,400	06/13/2020	-	102,400	-	102,400	-
Total Capital Leases Payable					\$ 230,229	\$ 612,743	\$ 94,252	\$ 748,720	\$ 8,356
Total Contractual Indebtedness					\$ 2,980,024	\$ 612,743	\$ 443,585	\$ 3,149,182	\$ 56,928

**CITY OF BAXTER SPRINGS, KANSAS**  
Notes to the Financial Statement  
December 31, 2016

**IV. LONG-TERM DEBT (CONTINUED)**

Current maturities of long-term debt and interest for the next five years and in five year increments through maturity are as follows:

	Year					
	2017	2018	2019	2020	2021	2022-2026
						2027
						Total
Principal:						
General Obligation Bonds	\$320,000	\$325,000	\$ 330,000	\$335,000	\$ 340,000	\$ 580,000
KDHE Loans	35,570	36,851	38,179	39,554	20,308	-
Capital Leases	112,824	116,252	86,647	85,078	34,632	194,968
						118,319
Total Principal	\$468,394	478,103	\$ 454,826	\$459,632	\$ 394,940	\$ 774,968
						\$ 118,319
						\$3,149,182
Interest:						
General Obligation Bonds	\$ 38,853	\$ 35,342	\$ 30,925	\$ 25,644	\$ 19,639	\$ 21,428
KDHE Loans	5,771	4,490	3,162	1,787	361	-
Capital Leases	26,144	22,716	19,247	16,584	13,848	47,432
						362
Total Interest	\$ 70,768	\$ 62,548	\$ 53,334	\$ 44,015	\$ 33,848	\$ 68,860
						\$ 362
						\$ 333,735
Total Principal and Interest	\$539,162	\$540,651	\$ 508,160	\$503,647	\$ 428,788	\$ 843,828
						\$ 118,681
						\$3,482,917

## **CITY OF BAXTER SPRINGS, KANSAS**

### **Notes to the Financial Statement**

December 31, 2016

#### **V. CONDUIT DEBT**

To provide for capital improvements, the City of Baxter Springs, Kansas issued Industrial Revenue Bonds, (Atec Steel, L.L.C.) Series 2007, in the amount of \$3,000,000. The bonds are special limited obligations of the City, and payable solely from revenues derived from certain fees, rentals, revenues and other amounts derived by the City from a lease between the City and Atec Steel, L.L.C. The bonds do not constitute an indebtedness of the City or a pledge of the general credit or taxing powers of the City; and accordingly, have not been reported in the accompanying financial statement.

The amount of bonds outstanding for this issue at December 31, 2016 was not available.

#### **VI. RISK MANAGEMENT**

The City is exposed to various risks of loss related to torts; theft of; damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The City manages these various risks by carrying commercial insurance. There have been no significant reductions in insurance coverage. Settlements have not exceeded insurance coverage for the current or three prior years.

#### **VII. INTERFUND TRANSFERS**

Operating transfers were as follows:

<u>From</u>	<u>To</u>	<u>Regulatory Authority</u>	<u>Amount</u>
Water Fund	General Fund	KSA 12-825d	\$ 2,997
Water Fund	Debt Service Fund	KSA 12-825d	659
Sewer Fund	Debt Service Fund	KSA 12-825d	347,125

#### **VIII. PENSION PLAN**

##### **Plan description**

The City of Baxter Springs, Kansas participates in the Kansas Public Employees Retirement System (KPERs), a cost-sharing multiple-employer defined benefit pension plan as provided by K.S.A. 74-4901, et. seq. Kansas law establishes and amends benefit provisions. KPERs issues a publicly available financial report that includes financial statements and required supplementary information. KPERs' financial statements are included in its Comprehensive Annual Financial Report which can be found on the KPERs website at [www.kpers.org](http://www.kpers.org) or by writing to KPERs (611 South Kansas, Suite 100, Topeka, KS 66603) or by calling 1-888-275-5737.

## **CITY OF BAXTER SPRINGS, KANSAS**

### **Notes to the Financial Statement**

**December 31, 2016**

#### **VIII. PENSION PLAN (CONTINUED)**

##### **Contributions**

K.S.A. 74-4919 and 74-49,210 establish the KPERS member-employee contribution rates. KPERS has multiple benefit structures and contribution rates depending on whether the employee is a KPERS 1, KPERS 2 or KPERS 3 member. KPERS 1 members are active and contributing members hired before July 1, 2009. KPERS 2 members were first employed in a covered position on or after July 1, 2009, KPERS 3 members were first employed in a covered position on or after January 1, 2015. Effective January 1, 2015, Kansas law established the KPERS member-employee contribution rate at 6% of covered salary for KPERS 1, KPERS 2 and KPERS 3 members. Member contributions are withheld by their employer and paid to KPERS according to the provisions of Section 414(h) of the Internal Revenue Code.

State law provides that the employer contribution rates for KPERS 1 and KPERS 2 and KPERS 3 be determined based on the results of each annual actuarial valuation. Kansas law sets a limitation on annual increases in the employer contribution rates. The actuarially determined employer contribution rate (not including the 1% contribution rate through March 31, 2016 with a 0% moratorium until June 30, 2017 for the Death and Disability Program) and the statutory contribution rate was 9.18% for the fiscal year ended December 31, 2016. Contributions to the pension plan from City of Baxter Springs, Kansas were \$111,495 for the year ended December 31, 2016.

##### **Net Pension Liability**

At December 31, 2016, the City of Baxter Springs, Kansas's proportionate share of the collective net pension liability reported by KPERS was \$1,084,638. The net pension liability was measured as of June 30, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2015, which was rolled forward to June 30, 2016. The City of Baxter Springs, Kansas's proportion of the net pension liability was based on the ratio of the City of Baxter Springs, Kansas's contributions to KPERS, relative to the total employer and non-employer contributions of the Local subgroup within KPERS. Since the KMAAG regulatory basis of accounting does not recognize long-term debt, this liability is not reported in this financial statement.

The complete actuarial valuation report including all actuarial assumptions and methods, and the report on the allocation of the KPERS collective net pension liability to all participating employers are publicly available on the website at [www.kpers.org](http://www.kpers.org) or can be obtained as described above.

## **CITY OF BAXTER SPRINGS, KANSAS**

### **Notes to the Financial Statement**

**December 31, 2016**

#### **IX. OTHER POST EMPLOYMENT BENEFITS**

As provided by K.S.A. 12-540, the City allows retirees to participate in the group health insurance plan. While each retiree pays the full amount of the applicable premium, conceptually, the City is subsidizing the retirees because each participant is charged a level of premium regardless of age. However, the cost of this subsidy has not been quantified in this financial statement.

Under the Consolidated Omnibus Budget Reconciliation Act (COBRA), the City makes health care benefits available to eligible former employees and eligible dependents. Certain requirements are outlined by the federal government for this coverage. The premium is paid in full by the insured.

#### **X. CONTINGENCIES**

##### **X.A. LITIGATION**

During the ordinary course of its operations the City is a party to various claims, legal actions and complaints. It is the opinion of the City's management and legal counsel that these matters are not anticipated to have a material financial impact on the City.

##### **X.B. GRANT PROGRAM INVOLVEMENT**

In the normal course of operations, the City participates in various federal and state grant/loan programs from year to year. The grant/loan programs are often subject to additional audits by agents of the granting or loaning agency, the purpose of which is to ensure compliance with the specific conditions of the grant or loan. Any liability for reimbursement which may arise as a result of these audits cannot be reasonably determined at this time, although it is believed the amount, if any, would not be material.

#### **XI. SUBSEQUENT EVENTS**

Management has evaluated the effects on the financial statement of subsequent events occurring through the date of this report, which is the date at which the financial statement was available to be issued.

**REGULATORY – REQUIRED  
SUPPLEMENTARY INFORMATION**



**CITY OF BAXTER SPRINGS, KANSAS**  
 Summary of Expenditures - Actual and Budget  
 Regulatory Basis  
 For the Year ended December 31, 2016

Funds	Certified Budget	Adjustment for Qualifying Budget Credits	Total Budget for Comparison	Expenditures Chargeable to Current Year	Variance - Over (Under)
<b>General Funds:</b>					
General	\$ 1,751,349	\$ 513,809	\$ 2,265,158	\$ 2,164,217	\$ (100,941)
<b>Special Purpose Funds:</b>					
Transient Guest	15,478	-	15,478	2,845	(12,633)
Park Development	232	-	232	99	(133)
Special Highway	215,559	51,200	266,759	185,493	(81,266)
Library	115,089	-	115,089	112,571	(2,518)
Library Employee Benefits	17,333	-	17,333	16,990	(343)
Recreation	15,000	-	15,000	9,394	(5,606)
Museum	74,262	-	74,262	72,306	(1,956)
Industrial Development	1,475	2,275	3,750	2,975	(775)
Drug Forfeiture	419	-	419	-	(419)
Employee Benefits	551,140	-	551,140	431,179	(119,961)
Special Parks and Recreation	89	-	89	89	-
Fire Ordinance 711	20,000	-	20,000	-	(20,000)
Memorial	5,592	2,685	8,277	330	(7,947)
<b>Bond and Interest Funds:</b>					
Debt Service	381,664	-	381,664	356,564	(25,100)
<b>Business Funds:</b>					
Water	847,000	-	847,000	715,108	(131,892)
Sewer	701,266	51,200	752,466	705,547	(46,919)
Cable Television	978,850	-	978,850	647,893	(330,957)
Refuse	278,100	-	278,100	237,034	(41,066)

**CITY OF BAXTER SPRINGS, KANSAS**  
General Fund  
Schedule of Receipts and Expenditures - Actual and Budget  
Regulatory Basis  
For the Year ended December 31, 2016

	Actual	Budget	Variance - Over (Under)
Receipts:			
Taxes and Shared Receipts:			
Ad Valorem Property Tax	\$ 273,454	\$ 270,184	\$ 3,270
Delinquent Tax	12,878	13,000	(122)
Motor Vehicle Tax	38,313	37,062	1,251
Recreational Vehicle Tax	238	211	27
16/20 M Vehicle Tax	52	102	(50)
Commercial Vehicle Tax	260	18	242
Watercraft Tax	170	-	170
Sales Tax	727,770	700,000	27,770
Local Alcohol Liquor Tax	33	41	(8)
Fines	162,354	150,000	12,354
Community Building Fees	4,175	3,600	575
Vehicle Inspection Fees	9,520	9,000	520
Sale of Cemetery Lots	595	1,500	(905)
Grave Opening	9,700	10,000	(300)
Franchise Fees	257,066	250,000	7,066
Permits	1,000	1,400	(400)
Liquor Licenses	601	700	(99)
Cereal Malt Beverage Licenses	750	750	-
Swimming Pool Receipts	16,817	16,000	817
Animal Tags	287	350	(63)
Park and Camping Fees	2,140	2,800	(660)
Mowing and Weed Notices	1,768	600	1,168
Donations	3,466	-	3,466
Other	23,267	50,000	(26,733)
Ambulance Fuel Reimbursement	-	18,000	(18,000)
Sale of Assets	8,050	-	8,050
Interest	362	370	(8)
Charges for Mowing and Demolition	8,237	4,000	4,237
Capital Lease Proceeds	510,343	-	510,343
Operating Transfers	2,997	-	2,997
Total Receipts	<u>\$ 2,076,663</u>	<u>\$ 1,539,688</u>	<u>\$ 536,975</u>
Expenditures:			
City Clerk	\$ 53,865	\$ 62,100	\$ (8,235)
Police	812,204	840,220	(28,016)
Fire	645,315	192,125	453,190
Street	405,855	430,373	(24,518)
Community Services	13,196	9,550	3,646
Cemetery	69,744	72,675	(2,931)
Code Enforcement	37,611	48,874	(11,263)
Community Center	15,294	19,000	(3,706)
Swimming Pool	33,725	33,450	275
Capital Lease - Police Truck	2,981	2,973	8
Capital Lease - Fire Truck	37,905	37,904	1
Capital Lease - Fire Truck	981	981	-
Capital Lease - Equipment	25,962	-	25,962
Capital Lease - Fire Truck	8,464	-	8,464
Capital Lease - Street Truck	1,115	1,124	(9)
Qualifying Budget Credits	-	513,809	(513,809)
Total Expenditures	<u>\$ 2,164,217</u>	<u>\$ 2,265,158</u>	<u>\$ (100,941)</u>
Receipts Over (Under) Expenditures	\$ (87,554)		
Unencumbered Cash - Beginning	408,417		
Unencumbered Cash - Ending	<u>\$ 320,863</u>		

**CITY OF BAXTER SPRINGS, KANSAS**  
Transient Guest Fund  
Schedule of Receipts and Expenditures - Actual and Budget  
Regulatory Basis  
For the Year ended December 31, 2016

	<u>Actual</u>	<u>Budget</u>	<u>Variance - Over (Under)</u>
Receipts:			
Guest Tax	<u>\$ 5,437</u>	<u>\$ 13,000</u>	<u>\$ (7,563)</u>
Total Receipts	<u>\$ 5,437</u>	<u><u>\$ 13,000</u></u>	<u><u>\$ (7,563)</u></u>
Expenditures:			
Convention and Tourism	<u>\$ 2,845</u>	<u>\$ 15,478</u>	<u>\$ (12,633)</u>
Total Expenditures	<u>\$ 2,845</u>	<u><u>\$ 15,478</u></u>	<u><u>\$ (12,633)</u></u>
Receipts Over (Under) Expenditures	\$ 2,592		
Unencumbered Cash - Beginning	<u>9,010</u>		
Unencumbered Cash - Ending	<u><u>\$ 11,602</u></u>		

**CITY OF BAXTER SPRINGS, KANSAS**  
Park Development Fund  
Schedule of Receipts and Expenditures - Actual and Budget  
Regulatory Basis  
For the Year ended December 31, 2016

	Actual	Budget	Variance - Over (Under)
Receipts:			
Donations	\$ -	\$ -	\$ -
Total Receipts	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Expenditures:			
Recreation	\$ 99	\$ 232	\$ (133)
Total Expenditures	<u>\$ 99</u>	<u>\$ 232</u>	<u>\$ (133)</u>
Receipts Over (Under) Expenditures	\$ (99)		
Unencumbered Cash - Beginning	<u>99</u>		
Unencumbered Cash - Ending	<u>\$ -</u>		

**CITY OF BAXTER SPRINGS, KANSAS**  
Special Highway Fund  
Schedule of Receipts and Expenditures - Actual and Budget  
Regulatory Basis  
For the Year ended December 31, 2016

	Actual	Budget	Variance - Over (Under)
Receipts:			
State of Kansas Fuel Tax	\$ 107,460	\$ 108,080	\$ (620)
Capital Lease Proceeds	51,200	-	51,200
Total Receipts	<u>\$ 158,660</u>	<u>\$ 108,080</u>	<u>\$ 50,580</u>
Expenditures:			
Public Works	\$ 109,093	\$ 215,559	\$ (106,466)
Capital Outlay	51,200	-	51,200
Capital Lease - Backhoe	25,200	-	25,200
Qualifying Budget Credits	-	51,200	(51,200)
Total Expenditures	<u>\$ 185,493</u>	<u>\$ 266,759</u>	<u>\$ (81,266)</u>
Receipts Over (Under) Expenditures	\$ (26,833)		
Unencumbered Cash - Beginning	<u>180,357</u>		
Unencumbered Cash - Ending	<u>\$ 153,524</u>		

**CITY OF BAXTER SPRINGS, KANSAS**  
Library Fund  
Schedule of Receipts and Expenditures - Actual and Budget  
Regulatory Basis  
For the Year ended December 31, 2016

	Actual	Budget	Variance - Over (Under)
Receipts:			
Taxes and Shared Revenue:			
Ad Valorem Property Tax	\$ 94,433	\$ 93,310	\$ 1,123
Delinquent Tax	4,788	5,000	(212)
Motor Vehicle Tax	13,117	11,024	2,093
Recreational Vehicle Tax	83	63	20
16/20 M Vehicle Tax	23	31	(8)
Commercial Vehicle Tax	77	6	71
Watercraft Tax	50	-	50
Total Receipts	<u>\$ 112,571</u>	<u>\$ 109,434</u>	<u>\$ 3,137</u>
Expenditures:			
Appropriations to Library Board	<u>\$ 112,571</u>	<u>\$ 115,089</u>	<u>\$ (2,518)</u>
Total Expenditures	<u>\$ 112,571</u>	<u>\$ 115,089</u>	<u>\$ (2,518)</u>
Receipts Over (Under) Expenditures	\$ -		
Unencumbered Cash - Beginning	<u>12,194</u>		
Unencumbered Cash - Ending	<u>\$ 12,194</u>		

**CITY OF BAXTER SPRINGS, KANSAS**  
Library Employee Benefits Fund  
Schedule of Receipts and Expenditures - Actual and Budget  
Regulatory Basis  
For the Year ended December 31, 2016

	Actual	Budget	Variance - Over (Under)
Receipts:			
Taxes and Shared Revenue:			
Ad Valorem Property Tax	\$ 14,239	\$ 14,068	\$ 171
Delinquent Tax	726	800	(74)
Motor Vehicle Tax	1,989	1,675	314
Recreational Vehicle Tax	13	10	3
16/20 M Vehicle Tax	4	5	(1)
Commercial Vehicle Tax	12	1	11
Watercraft Tax	7	-	7
Total Receipts	<u>\$ 16,990</u>	<u>\$ 16,559</u>	<u>\$ 431</u>
Expenditures:			
Appropriations to Library Board	<u>\$ 16,990</u>	<u>\$ 17,333</u>	<u>\$ (343)</u>
Total Expenditures	<u>\$ 16,990</u>	<u>\$ 17,333</u>	<u>\$ (343)</u>
Receipts Over (Under) Expenditures	\$ -		
Unencumbered Cash - Beginning	<u>1,583</u>		
Unencumbered Cash - Ending	<u>\$ 1,583</u>		

**CITY OF BAXTER SPRINGS, KANSAS**  
Recreation Fund  
Schedule of Receipts and Expenditures - Actual and Budget  
Regulatory Basis  
For the Year ended December 31, 2016

	Actual	Budget	Variance - Over (Under)
Receipts:			
Taxes and Shared Revenue:			
Ad Valorem Property Tax	\$ 8,403	\$ 8,303	\$ 100
Delinquent Tax	542	1,000	(458)
Motor Vehicle Tax	443	-	443
Recreational Vehicle Tax	3	-	3
16/20 M Vehicle Tax	3	-	3
Total Receipts	<u>\$ 9,394</u>	<u>\$ 9,303</u>	<u>\$ 91</u>
Expenditures:			
Appropriation to Recreation Commission	<u>\$ 9,394</u>	<u>\$ 15,000</u>	<u>\$ (5,606)</u>
Total Expenditures	<u>\$ 9,394</u>	<u>\$ 15,000</u>	<u>\$ (5,606)</u>
Receipts Over (Under) Expenditures	\$ -		
Unencumbered Cash - Beginning	<u>6,213</u>		
Unencumbered Cash - Ending	<u>\$ 6,213</u>		



**CITY OF BAXTER SPRINGS, KANSAS**  
Museum Fund  
Schedule of Receipts and Expenditures - Actual and Budget  
Regulatory Basis  
For the Year ended December 31, 2016

	Actual	Budget	Variance - Over (Under)
Receipts:			
Taxes and Shared Revenue:			
Ad Valorem Property Tax	\$ 60,388	\$ 59,667	\$ 721
Delinquent Tax	3,017	3,300	(283)
Motor Vehicle Tax	8,746	7,394	1,352
Recreational Vehicle Tax	55	42	13
16/20 M Vehicle Tax	14	21	(7)
Commercial Vehicle Tax	52	4	48
Watercraft Tax	34	-	34
Total Receipts	<u>\$ 72,306</u>	<u>\$ 70,428</u>	<u>\$ 1,878</u>
Expenditures:			
Appropriation to Museum Board	<u>\$ 72,306</u>	<u>\$ 74,262</u>	<u>\$ 1,956</u>
Total Expenditures	<u>\$ 72,306</u>	<u>\$ 74,262</u>	<u>\$ 1,956</u>
Receipts Over (Under) Expenditures	\$ -		
Unencumbered Cash - Beginning	<u>5,549</u>		
Unencumbered Cash - Ending	<u>\$ 5,549</u>		

**CITY OF BAXTER SPRINGS, KANSAS**  
Industrial Development Fund  
Schedule of Receipts and Expenditures - Actual and Budget  
Regulatory Basis  
For the Year ended December 31, 2016

	Actual	Budget	Variance - Over (Under)
Receipts:			
Taxes and Shared Revenue:			
Delinquent Tax	\$ 8	\$ -	\$ 8
Donations	2,275	-	2,275
	<u>\$ 2,283</u>	<u>\$ -</u>	<u>\$ 2,283</u>
Total Receipts			
	<u>\$ 2,283</u>	<u>\$ -</u>	<u>\$ 2,283</u>
Expenditures:			
Economic Development	\$ 2,975	\$ 1,475	\$ 1,500
Qualifying Budget Credits	-	2,275	(2,275)
	<u>\$ 2,975</u>	<u>\$ 3,750</u>	<u>\$ (775)</u>
Total Expenditures			
	<u>\$ 2,975</u>	<u>\$ 3,750</u>	<u>\$ (775)</u>
Receipts Over (Under) Expenditures	\$ (692)		
Unencumbered Cash - Beginning	<u>1,491</u>		
Unencumbered Cash - Ending	<u>\$ 799</u>		

**CITY OF BAXTER SPRINGS, KANSAS**  
Special Liability Fund  
Schedule of Receipts and Expenditures  
Regulatory Basis  
For the Year ended December 31, 2016

## Receipts:

## Taxes and Shared Revenue:

Delinquent Tax	\$ 57
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Total Receipts	\$ 57
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## Expenditures:

General Government	\$ 8,661
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Total Expenditures	\$ 8,661
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Receipts Over (Under) Expenditures	\$ (8,604)
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Unencumbered Cash - Beginning	93,114
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Unencumbered Cash -Ending	\$ 84,510
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**CITY OF BAXTER SPRINGS, KANSAS**

Municipal Equipment Reserve Fund  
Schedule of Receipts and Expenditures  
Regulatory Basis  
For the Year ended December 31, 2016

## Receipts:

Operating Transfers

\$ -

Total Receipts

\$ -

## Expenditures:

Capital Outlay

\$ -

Total Expenditures

\$ -

Receipts Over (Under) Expenditures

\$ -

Unencumbered Cash - Beginning

4,250

Unencumbered Cash - Ending

\$ 4,250

**CITY OF BAXTER SPRINGS, KANSAS**  
Capital Improvement Fund  
Schedule of Receipts and Expenditures  
Regulatory Basis  
For the Year ended December 31, 2016

Receipts:	
Operating Transfers	\$ -
Total Receipts	\$ -
Expenditures:	
Capital Outlay	\$ -
Total Expenditures	\$ -
Receipts Over (Under) Expenditures	\$ -
Unencumbered Cash - Beginning	50,199
Unencumbered Cash - Ending	\$ 50,199

**CITY OF BAXTER SPRINGS, KANSAS**  
Drug Forfeiture Fund  
Schedule of Receipts and Expenditures - Actual and Budget  
Regulatory Basis  
For the Year ended December 31, 2016

	<u>Actual</u>	<u>Budget</u>	<u>Variance - Over (Under)</u>
Receipts:			
Intergovernmental Receipts	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Total Receipts	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Expenditures:			
Public Safety	<u>\$ -</u>	<u>\$ 419</u>	<u>\$ (419)</u>
Total Expenditures	<u>\$ -</u>	<u>\$ 419</u>	<u>\$ (419)</u>
Receipts Over (Under) Expenditures	\$ -		
Unencumbered Cash - Beginning	<u>419</u>		
Unencumbered Cash - Ending	<u>\$ 419</u>		

**CITY OF BAXTER SPRINGS, KANSAS**  
Employee Benefits Fund  
Schedule of Receipts and Expenditures - Actual and Budget  
Regulatory Basis  
For the Year ended December 31, 2016

	Actual	Budget	Variance - Over (Under)
Receipts:			
Taxes and Shared Revenue:			
Ad Valorem Property Tax	\$ 464,539	\$ 459,106	\$ 5,433
Delinquent Tax	19,852	20,000	(148)
Motor Vehicle Tax	56,414	48,112	8,302
Recreational Vehicle Tax	356	275	81
16/20 M Vehicle Tax	93	133	(40)
Commercial Vehicle Tax	337	24	313
Watercraft Tax	220	-	220
Total Receipts	<u>\$ 541,811</u>	<u>\$ 527,650</u>	<u>\$ 14,161</u>
Expenditures:			
Employee Benefits	<u>\$ 431,179</u>	<u>\$ 551,140</u>	<u>\$ (119,961)</u>
Total Expenditures	<u>\$ 431,179</u>	<u>\$ 551,140</u>	<u>\$ (119,961)</u>
Receipts Over (Under) Expenditures	\$ 110,632		
Unencumbered Cash - Beginning	<u>129,048</u>		
Unencumbered Cash - Ending	<u>\$ 239,680</u>		

**CITY OF BAXTER SPRINGS, KANSAS**  
Special Parks and Recreation  
Schedule of Receipts and Expenditures - Actual and Budget  
Regulatory Basis  
For the Year ended December 31, 2016

	Actual	Budget	Variance - Over (Under)
Receipts:			
Local Alcoholic Liquor Tax	\$ 32	\$ 41	\$ (9)
Total Receipts	<u>\$ 32</u>	<u>\$ 41</u>	<u>\$ (9)</u>
Expenditures:			
Recreation	\$ 89	\$ 89	\$ -
Total Expenditures	<u>\$ 89</u>	<u>\$ 89</u>	<u>\$ -</u>
Receipts Over (Under) Expenditures	\$ (57)		
Unencumbered Cash - Beginning	<u>82</u>		
Unencumbered Cash - Ending	<u>\$ 25</u>		



**CITY OF BAXTER SPRINGS, KANSAS**  
Disaster Fund  
Schedule of Receipts and Expenditures - Actual and Budget  
Regulatory Basis  
For the Year ended December 31, 2016

	Actual	Budget	Variance - Over (Under)
Receipts:			
Insurance Proceeds	\$ 5,000	\$ -	\$ 5,000
Total Receipts	<u>\$ 5,000</u>	<u>\$ -</u>	<u>\$ 5,000</u>
Expenditures:			
Public Works	\$ -	\$ -	\$ -
Total Expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Receipts Over (Under) Expenditures	\$ 5,000		
Unencumbered Cash - Beginning	<u>346</u>		
Unencumbered Cash - Ending	<u>\$ 5,346</u>		

**CITY OF BAXTER SPRINGS, KANSAS**  
Fire Ordinance 711 Fund  
Schedule of Receipts and Expenditures - Actual and Budget  
Regulatory Basis  
For the Year ended December 31, 2016

	Actual	Budget	Variance - Over (Under)
Receipts:			
Other	\$ -	\$ 20,000	\$ (20,000)
Total Receipts	<u>\$ -</u>	<u>\$ 20,000</u>	<u>\$ (20,000)</u>
Expenditures:			
Public Works	\$ -	\$ 20,000	\$ (20,000)
Operating Transfers	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>\$ -</u>	<u>\$ 20,000</u>	<u>\$ (20,000)</u>
Receipts Over (Under) Expenditures	\$ -		
Unencumbered Cash - Beginning	<u>-</u>		
Unencumbered Cash - Ending	<u>\$ -</u>		

**CITY OF BAXTER SPRINGS, KANSAS**  
Memorial Fund  
Schedule of Receipts and Expenditures - Actual and Budget  
Regulatory Basis  
For the Year ended December 31, 2016

	Actual	Budget	Variance - Over (Under)
Receipts:			
Donations	\$ 2,685	\$ 5,000	\$ (2,315)
Total Receipts	<u>\$ 2,685</u>	<u>\$ 5,000</u>	<u>\$ (2,315)</u>
Expenditures:			
Recreation	\$ 330	\$ 5,592	\$ (5,262)
Qualifying Budget Credits	<u>-</u>	<u>2,685</u>	<u>(2,685)</u>
Total Expenditures	<u>\$ 330</u>	<u>\$ 8,277</u>	<u>\$ (7,947)</u>
Receipts Over (Under) Expenditures	\$ 2,355		
Unencumbered Cash - Beginning	<u>176</u>		
Unencumbered Cash - Ending	<u>\$ 2,531</u>		

**CITY OF BAXTER SPRINGS, KANSAS**  
Debt Service Fund  
Schedule of Receipts and Expenditures - Actual and Budget  
Regulatory Basis  
For the Year ended December 31, 2016

	Actual	Budget	Variance - Over (Under)
Receipts:			
Taxes and Shared Revenue:			
Delinquent Tax	\$ 1,409	\$ 1,300	\$ 109
Operating Transfers	347,784	347,125	659
Total Receipts	<u>\$ 349,193</u>	<u>\$ 348,425</u>	<u>\$ 768</u>
Expenditures:			
Principal	\$ 315,000	\$ 315,000	\$ -
Interest and Fees	41,564	41,664	(100)
Cash Basis Reserve	-	25,000	(25,000)
Total Expenditures	<u>\$ 356,564</u>	<u>\$ 381,664</u>	<u>\$ (25,100)</u>
Receipts Over (Under) Expenditures	\$ (7,371)		
Unencumbered Cash - Beginning	<u>32,188</u>		
Unencumbered Cash - Ending	<u>\$ 24,817</u>		

## CITY OF BAXTER SPRINGS, KANSAS

## Water Fund

## Schedule of Receipts and Expenditures - Actual and Budget

## Regulatory Basis

For the Year ended December 31, 2016

	Actual	Budget	Variance - Over (Under)
Receipts:			
Charges for Services	\$ 831,872	\$ 961,000	\$ (129,128)
Sales Tax	13,677	16,500	(2,823)
Other	578	10,000	(9,422)
Total Receipts	<u>\$ 846,127</u>	<u>\$ 987,500</u>	<u>\$ (141,373)</u>
Expenditures:			
Personal Services	\$ 382,895	\$ 388,500	\$ (5,605)
Contractual Services	81,827	105,000	(23,173)
Commodities	203,358	250,000	(46,642)
Other	6,342	2,000	4,342
Water Protection Fee	7,031	10,000	(2,969)
Capital Outlay	-	20,000	(20,000)
Sales Tax	18,399	16,500	1,899
Administrative	-	5,000	(5,000)
Maintenance	11,600	50,000	(38,400)
Operating Transfers	3,656	-	3,656
Total Expenditures	<u>\$ 715,108</u>	<u>\$ 847,000</u>	<u>\$ (131,892)</u>
Receipts Over (Under) Expenditures	\$ 131,019		
Unencumbered Cash-Beginning	<u>(54,179)</u>		
Unencumbered Cash-End	<u>\$ 76,840</u>		

**CITY OF BAXTER SPRINGS, KANSAS**

Sewer Fund

Schedule of Receipts and Expenditures - Actual and Budget

Regulatory Basis

For the Year ended December 31, 2016

	Actual	Budget	Variance - Over (Under)
Receipts:			
Charges for Services	\$ 434,514	\$ 500,000	\$ (65,486)
Capital Lease Proceeds	51,200	-	51,200
Other	2,244	-	2,244
	<u>487,958</u>	<u>500,000</u>	<u>(12,042)</u>
Total Receipts	\$ 487,958	\$ 500,000	\$ (12,042)
Expenditures:			
Personal Services	\$ 126,668	\$ 91,500	\$ 35,168
Contractual Services	33,209	27,300	5,909
Commodities	95,092	105,000	(9,908)
KDHE Loan Payment	41,341	41,341	-
Other	40	2,000	(1,960)
Administrative	-	12,000	(12,000)
Maintenance	8,110	25,000	(16,890)
Capital Outlay	53,962	50,000	3,962
Operating Transfers	347,125	347,125	-
Qualifying Budget Credits	-	51,200	(51,200)
	<u>705,547</u>	<u>752,466</u>	<u>(46,919)</u>
Total Expenditures	\$ 705,547	\$ 752,466	\$ (46,919)
Receipts Over (Under) Expenditures	\$ (217,589)		
Unencumbered Cash - Beginning	<u>1,403,015</u>		
Unencumbered Cash - Ending	<u>\$ 1,185,426</u>		

**CITY OF BAXTER SPRINGS, KANSAS**  
Cable Television Fund  
Schedule of Receipts and Expenditures - Actual and Budget  
Regulatory Basis  
For the Year ended December 31, 2016

	Actual	Budget	Variance - Over (Under)
Receipts:			
Charges for Services	\$ 629,095	\$ 820,000	\$ (190,905)
Other	12,327	1,500	10,827
Sale of Assets	748,867	-	748,867
Total Receipts	<u>\$ 1,390,289</u>	<u>\$ 821,500</u>	<u>\$ 568,789</u>
Expenditures:			
Personal Services	\$ 66,787	\$ 128,150	\$ (61,363)
Contractual Services	506,905	675,000	(168,095)
Commodities	22,991	80,000	(57,009)
Other	1,020	1,500	(480)
Sales Tax	31,795	52,200	(20,405)
Administrative	-	15,000	(15,000)
Capital Outlay	-	2,000	(2,000)
Maintenance	18,395	25,000	(6,605)
Total Expenditures	<u>\$ 647,893</u>	<u>\$ 978,850</u>	<u>\$ (330,957)</u>
Receipts Over (Under) Expenditures	\$ 742,396		
Unencumbered Cash - Beginning	<u>(510,740)</u>		
Unencumbered Cash - Ending	<u>\$ 231,656</u>		

**CITY OF BAXTER SPRINGS, KANSAS**

## Refuse Fund

## Schedule of Receipts and Expenditures - Actual and Budget

## Regulatory Basis

For the Year ended December 31, 2016

	Actual	Budget	Variance - Over (Under)
Receipts:			
Charges For Services	\$ 228,959	\$ 270,000	\$ (41,041)
Total Receipts	<u>\$ 228,959</u>	<u>\$ 270,000</u>	<u>\$ (41,041)</u>
Expenditures:			
Personal Services	\$ -	\$ 23,100	\$ (23,100)
Sanitation	<u>237,034</u>	<u>255,000</u>	<u>(17,966)</u>
Total Expenditures	<u>\$ 237,034</u>	<u>\$ 278,100</u>	<u>\$ (41,066)</u>
Receipts Over (Under) Expenditures	\$ (8,075)		
Unencumbered Cash - Beginning	<u>43,984</u>		
Unencumbered Cash - Ending	<u>\$ 35,909</u>		



**CITY OF BAXTER SPRINGS, KANSAS**  
Cemetery Perpetual Care Fund  
Schedule of Receipts and Expenditures  
Regulatory Basis  
For the Year ended December 31, 2016

Receipts:	
Sale of Cemetery Lots	\$ 105
Total Receipts	\$ 105
Expenditures:	
Public Works	\$ -
Total Expenditures	\$ -
Receipts Over (Under) Expenditures	\$ 105
Unencumbered Cash - Beginning	64,394
Unencumbered Cash - Ending	\$ 64,499